

Walsall Council Draft Charging Schedule

Community Infrastructure Levy (CIL)

Pre-Submission Modifications Consultation Stage

7th November – 19th December 2016

Following consultation between March and May 2016 on the draft charging schedule, the Council has proposed a number of modifications. These seek to address issues raised during the consultation as well as to update factual information. Subject to the outcome of this pre-submission consultation, the Council will invite the inspector to consider these modifications when the Charging Schedule is submitted for examination.

This “track changes” version has been produced to show the effects of these modifications.

The modifications are shown in this document as follows:

- Deleted text is shown as a double strike-through: ~~abcde fgh~~
- Added text is shown in **blue text**. Note that existing hyperlinks are in **green**.
- Modification numbers are shown in a **MODCILX**.

Most of the modifications were agreed by the Council’s Cabinet on 27th July 2016, and are contained in Appendix B to the Cabinet report. A full list of all the modifications can be found here: www.walsall.gov.uk/community_infrastructure_levy.

How to have your say on the proposed pre-submission modifications.

You should only make representations at this stage about the proposed modifications.

You can make representations to the modifications in the following ways:

- filling in the questionnaire, either in paper form or online – go to www.walsall.gov.uk/planning_2026
- send an email to planningpolicy@walsall.gov.uk
- write to us at Walsall Council Planning Policy Team, Walsall Council, Darwall Street, Walsall WS1 1DG

When making your representation please clearly state the modification number.

If you have made a representation previously at the Publication stage it would be helpful if you could let us know in writing that you wish to maintain or withdraw your representation.

Please submit any representations during the consultation period between **Monday 7th November and Monday 19th December 2016**. Comments received after this might not be taken into account.

Introduction

No Modifications at this stage. However, it should be noted that this section will need to be modified at the adoption stage to reflect that work on the preparation of the plan will have been completed.

The Community Infrastructure Levy (CIL) has been introduced by the Government as the preferred way for local authorities to improve infrastructure and deal with planning obligations. CIL Regulations 2010 (as amended) provide local authorities with the opportunity to generate revenue from new developments, to be spent on wide range of infrastructure projects which are needed as a result of, or to enable, development. Such projects include (but are not limited to) roads, public transport, open space or health centres in their areas. CIL charges must be based on a viability assessment of development in the Borough and CIL income must be spent on identified infrastructure needs.

This Community Infrastructure Levy (CIL) Draft Charging Schedule, attached as Appendix 1, has been published by Walsall Council for consultation between **Monday 7th March and Tuesday 3rd May 2016**. A questionnaire and details of how to respond are attached as Appendix 2.

The Council has prepared a draft Infrastructure Delivery Plan to establish what the boroughs infrastructure needs are and to identify what funding is available. As a result, the Council has identified an Infrastructure Funding Gap of over £180 million, and that a Community Infrastructure Levy is necessary to address some of the funding deficiency.

The Council commissioned consultants DTZ to undertake a Viability Study carried out in 2015 to assess the viability of development schemes in Walsall, in particular to support the production of a Preliminary Draft CIL Charging Schedule alongside a Site Allocation Document and Walsall Town Centre Area Action Plan which are being prepared in tandem due to their joint reliance on viability evidence.

The study showed that viability of residential development in most areas of Walsall, and for some types of retail development, is sufficient to bear a CIL charge. The charge is considered to be an appropriate balance between the need to fund infrastructure for growth and the need to enable development to take place. It is anticipated that CIL receipts for the period 2016 to 2026 will be approximately £4.5M or £5.6M if a £5 nominal charge is set in low value areas as set out in Appendix 1.

The Council will monitor CIL rates annually and consider a review of CIL as and when market conditions and viability information warrant it.

Scope of CIL

The following retail and residential development types may be liable for CIL:

- Development comprising 100 sq. m. or more of net additional floorspace;
- Development of less than 100 sq. m. of net additional floorspace that results in the creation of one or more dwellings;
- The conversion of a building that is no longer in lawful use.

Mandatory Exemptions and Relief from CIL

The CIL regulations provide for certain types of development to be exempt or eligible for relief from CIL, as set out below:

- Development of less than 100m² of new build floorspace, unless it is a whole dwelling;
- Houses, flats, residential annexes and residential extensions which are built by self-builders;
- Social housing meeting the relief criteria;
- Charitable development that meets the relief criteria;
- Vacant buildings brought back into the same use.

Discretionary Relief from CIL

No evidence has been submitted to suggest there is a need to adopt a discretionary relief policy in addition to the mandatory exemptions and relief set out above and the Council does not therefore propose to put one in place at this time. Should evidence come forward to suggest one is needed this will be considered and reviewed at that time.

Exceptional Circumstances

Where a specific scheme cannot withstand CIL charges due to exceptional cost burdens which would render development unviable the Council will consider giving relief from CIL in exceptional circumstances. This will be considered on a case by case basis providing the following conditions are met:

1. A S106 Agreement must exist on the planning permission permitting the chargeable development; and
2. The Council must consider payment of the CIL liability in full would have an unacceptable impact on the development's economic viability; and
3. Relief from CIL must not constitute a notifiable State Aid.

Payments in Kind

There may be circumstances where it is preferable for the charging authority (Walsall Council) or a developer to make payment in kind to satisfy the CIL liability (in whole or in part), as made possible by the CIL Regulations. This will be considered on a site by site basis as the need arises.

Regulation 123 list

No Modifications at this stage. However, it should be noted that this section will need to be modified at the adoption stage to reflect that work on the preparation of the plan will have been completed.

Regulation 123 of the Community Infrastructure Regulations 2010 (as amended) restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy. Infrastructure types or projects that are listed on the Regulation 123 list cannot also be secured through planning obligations. This is to ensure there is no duplication between CIL and planning obligations secured through s106 in funding the same infrastructure projects. A draft Infrastructure Delivery Plan (IDP) has been published and a draft Regulation 123 list has also been published alongside this draft CIL Charging Schedule.

Neighbourhood Funding Portion

Regulations require that between 15% and 25% of CIL generated in a particular Charging Area will be spent in that area. The Council will undertake consultation with local councillors and communities as appropriate in order to ensure the Neighbourhood Funding Portion is properly expended.

Next Steps

No Modifications at this stage. However, it should be noted that this section will need to be modified at the adoption stage to reflect that work on the preparation of the plan will have been completed.

Following the previous consultation on the Preliminary Draft CIL Charging Consultation in 2015, the Council has taken into consideration all comments received and made changes where necessary. The current timetable is for the Draft Charging Schedule to be submitted for Examination in summer 2016 so that the Charging Schedule can be in place for late 2016.

Instalment Policy

Instalment Provisions					
<i>Less than £100,000</i>			<i>£100,000 and over</i>		
Instalment	Amount Due	Due Date	Instalment	Amount Due	Due Date
1	50%	6 months*	1	25%	6 months*
2	50%	12 months*	2	25%	12 months*
			3	25%	18 months*
			4	25%	24 months*

* Payable on the anniversary of the commencement of development.

Appendix 1

DRAFT CHARGING SCHEDULE for Walsall Council (the Charging Authority)

This charging schedule was approved on (*date to be inserted*) and takes effect from (*date to be inserted*). It has been issued, approved and published in accordance with CIL Regulations 2010 (as amended), and Part 11 of PA 2008.

Table 1: MODCIL1

	Residential (£ per sq m)¹			
	Below 15 Units (all other housing developments) 1 to 14 Units (excluding flats)	Above 15 Units & Below 40 Units (all other housing developments) 15 to 40 Units (excluding flats)	Below 40 Units (Flats) 1 to 40 Units (flats)	Above 40 Units (all housing developments) More than 40 units (all housing developments)
Zone 1	£100	£100	£5*	£100
Zone 2	£75	£50	£5*	£75
Zone 3	£50	£25	£5*	£50
Zone 4	£5*	£5*	£5*	£5*
Zone 5	£5*	£5*	£5*	£5*
Commercial Development (£ per sq m)²				
Non-Food Retail Warehousing³				
Any Location	£75			
Food Retail (>2,000 sqm)⁴				
Any Location	£100			
All Other Uses				
	£0			

Includes 5% Administration Costs

***£5 per sq m nominal charge. This approach has been taken by other charging authorities and supported by examiners because it is accepted that such a low charge out of overall development costs would not render the overall development to be unviable and undeliverable.**

¹ Excluding Use Classes C2 (Residential Institutions) and C2A (Secure Residential Institutions). All other residential uses - C3(a,b,c) (Dwellings) and C4 (Houses in Multiple Occupation) are liable to pay CIL charges.

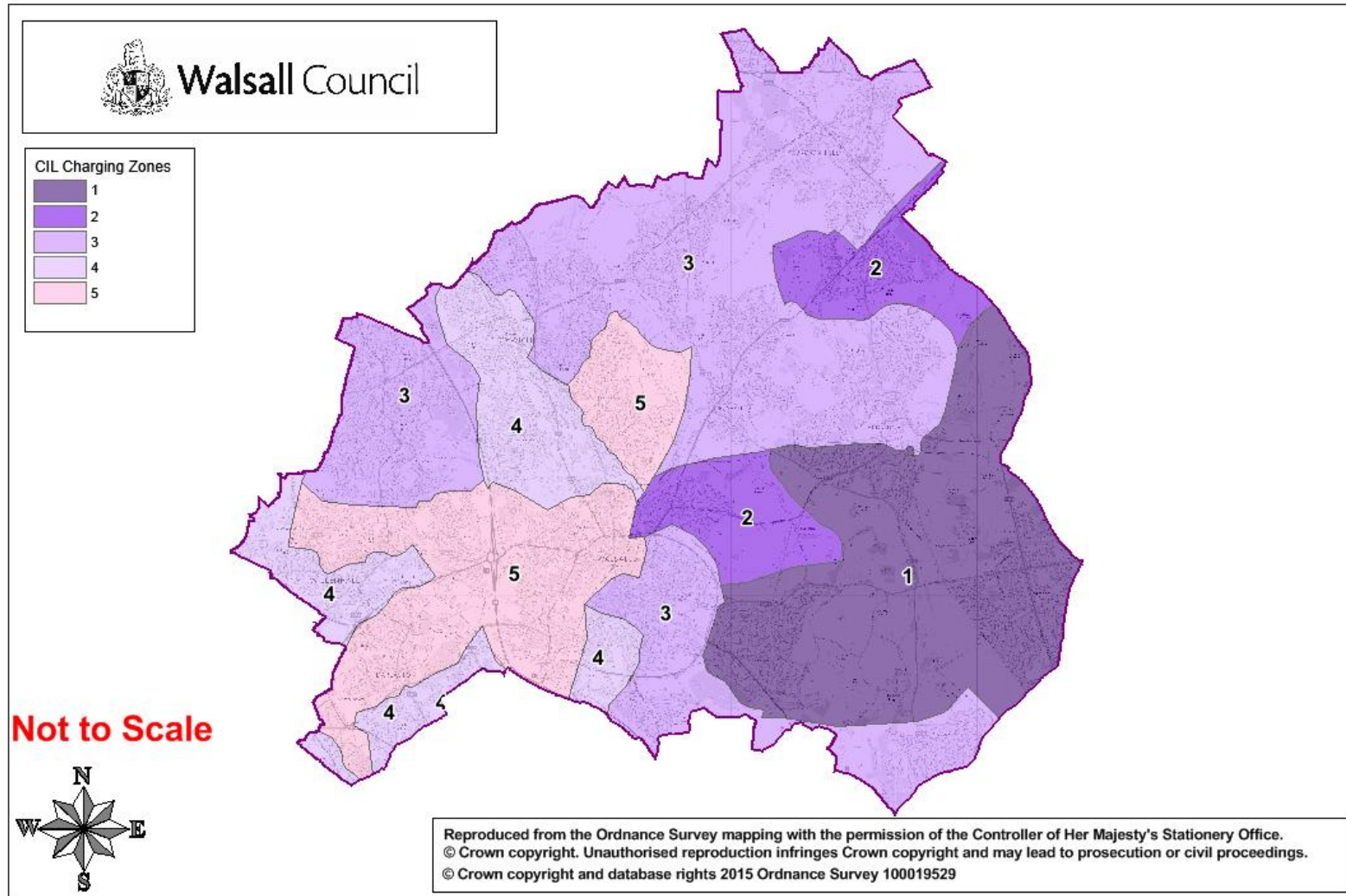
² CIL will be charged on the total floorspace for retail development, so that where one or more units are proposed as part of an overall scheme the charge will apply to the total floorspace of all units that make up the scheme and not for each individual unit.

³ Retail stores of any size but characterised by a shed-like construction, showing a greater similarity to warehouses than to standard shop units. They might occupy a single floor or include mezzanine floorspace. Retail warehouses are often provided with relatively large amounts of customer parking. They have tended to be developed in out-of-centre and edge-of-centre locations, but (in principle and subject to design considerations) they could be accommodated within centres. The retail warehouse sector has grown up specialising in the sale of household goods (such as carpets, furniture and electrical goods) and bulky DIY items, but there have been pressures for the ranges of goods sold to be widened so that (subject to planning controls) retail warehouses might be found selling all ranges of non-food goods. This definition includes warehouse clubs where the built form of their developments shares the characteristics of retail warehouses.

⁴ Food retail (foodstores) can also include non-food floorspace as part of the overall mix of the unit.

Figure 1: Map of CIL Charging Zones

Larger, more detailed charging zone maps are provided online at www.walsall.gov.uk/community_infrastructure_levy



Calculating the Chargeable Amount

The chargeable rate per square metre has been set with regard to viability, to ensure that the levy does not put at risk overall development in Walsall. The 'Chargeable Amount' will be calculated by the Council in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010, (as amended). In outline, the chargeable rate per square metre is multiplied by the chargeable net area of development, and adjusted in accordance with the RICS Tender Price Index (to allow for changes in prices between the date the rate is set, and the date the charge is applied to a particular development).

Supporting Information and Evidence Base

The documents listed below support this Draft CIL Charging Schedule. They are all available on the Council's website at www.walsall.gov.uk/community_infrastructure_levy:

- CIL Viability Study
- Draft Infrastructure Delivery Plan (IDP)
- Draft Regulation 123 List (spend list)

Section 106

The NPPG recommends that it is good practice for charging authorities to publish details of the proposed use of Section 106 alongside the operation of CIL. The commissioned CIL viability study sets out that the use of Section 106 is likely to be scaled back to the following items of infrastructure post CIL adoption. This has been considered in more detail and updated to take account of comments received during the first stage of consultation and on-going discussions with infrastructure providers:

Continued use of S106

- Site specific highway improvements such as vehicle access, junction improvements and public transport improvements necessary to make the development acceptable;
- Site specific air quality mitigation measures;
- Site specific public art;
- Provision of affordable housing;
- Provision of site specific education facilities where required on-site such as to meet demand for a new school as part of a large development;
- Site specific improvements to, and the mitigation of adverse impacts on, the historic environment; ~~and~~
- Site specific flood mitigation / resilience measures; **and**
- [Mitigation measures required under the Habitats Regulations 2010 in respect of impacts on European Sites within or outside of the borough.](#) [MODCIL2](#)

Infrastructure to be eligible from CIL funds

- Provision, improvement, replacement, operation or maintenance of strategic transport and highways infrastructure;
- Provision, improvement, replacement, operation or maintenance of strategic utilities infrastructure for employment sites outside the enterprise zone;
- Provision, improvement, replacement, operation or maintenance of education facilities;
- Provision, improvement, replacement, operation or maintenance of open Space and outdoor leisure;
- Provision, improvement, replacement, operation or maintenance of community hubs, heritage centre and other social / community related infrastructure;

- Provision, improvement, replacement, operation or maintenance of strategic flood resilience and mitigation infrastructure;
- Provision, improvement, replacement, operation or maintenance of strategic nature conservation and environmental infrastructure; and
- Provision, improvement, replacement, operation or maintenance of strategic public realm including the historic environment.

